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AN ENVIRONMENTAL LAW PRACTICE

June 3, 2005

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Via Certified Mail - Return Receipt Requested

Mr. Chuck Schadel (32P31)
U.S. Environmental Protection Agency
Water Protection Division
Office of Compliance and Enforcement
NPDES Branch
1650 Arch Street
Philadelphia, PA 19103

Re: Request for Information Pursuant to Section 308 of the
Clean Water Act Issued to Hovnanian Enterprises, Inc.

Dear Mr. Schadel:

In conformance with our several discussions regarding the scope and phasing of a response to the Request for Information Pursuant to Section 308 of the Clean Water Act (the "Section 308 Request") sent by the U.S. Environmental Protection Agency ("EPA") to Hovnanian Enterprises, Inc., enclosed please find a response to Part 1, Question 1 (for projects identified as finished lot projects) and Question 2 (for traditional developments active since January 1, 2004), along with a set of General Qualifications and Objections. By telephone call on May 26, 2005, Nina Rivera, Esquire of your office agreed that this submission could be sent to you today. We understand that this is the final submission of information to EPA required by the Section 308 Request. Please let me know immediately if this is not EPA's understanding as well.

The enclosed response is submitted to EPA pursuant to a claim of "Confidential Business Information," and each document has been marked as such. All of the information contained herein, and/or the manner in which the information has been presented, is confidential, and its disclosure would cause substantial harmful affects to the business's competitive position.

As you will also note, I have concurrently set a copy of this letter and the enclosure to Nina Rivera, Esquire of your office.

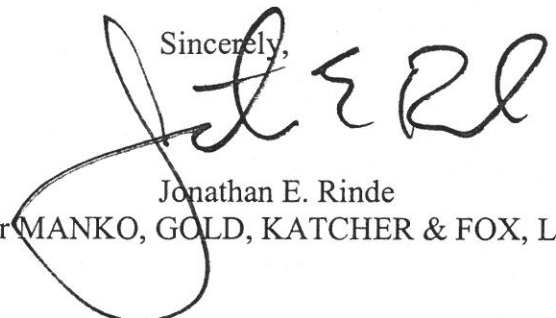
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Mr. Chuck Schadel (32P31)
June 3, 2005
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Please call me if you should have any questions regarding this submission.

Sincerely,



Jonathan E. Rinde
For MANKO, GOLD, KATCHER & FOX, LLP

JER/pc
Enclosure
cc: Nina Rivera, Esquire (w/enclosure)

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General Qualifications and Objections to the Information Requested Pursuant to the Section 308 Request.

Hovnanian Enterprises, Inc. and the responding operating entities hereby assert the following qualifications and objections ("General Objections") to the information requested by EPA in its letter to Hovnanian Enterprises, Inc. (the "Section 308 Request").

A. Hovnanian Enterprises, Inc. and the responding operating entities object to the Section 308 Request in that the questions set forth therein are overbroad, unreasonable, seek to obtain information not related to any objective of the Clean Water Act's permitting program, and are beyond the scope of EPA's authority pursuant to Section 308.

B. Hovnanian Enterprises, Inc. and the responding operating entities object to the Section 308 Request as it purports to require supplements to these responses in the future if, for example, newly developed information becomes known or if these responses, or any portion thereof, becomes false, incomplete or misrepresentative of the facts. Notwithstanding this objection, the responding operating entities will endeavor to notify EPA if they determine, on the basis on information discovered after the submittal of these responses, that any of these responses are incorrect. However, the responding operating entities will not endeavor to continually provide EPA with updated responsive information.

C. Hovnanian Enterprises, Inc. and the responding operating entities object to the Section 308 Request in that it seeks to reveal information that is protected from disclosure by the attorney-work product privilege, the privilege associated with attorney-client communications, and/or other applicable privileges.

D. Hovnanian Enterprises, Inc. and the responding operating entities object to the Section 308 Request as it purports to require the submission of documents to EPA that contain information that is responsive to a question, even though such documents may provide no further information regarding the question other than the response or other documents provided.

E. Hovnanian Enterprises, Inc. and the responding operating entities object to the Section 308 Request to the extent that it uses terms and phrases that are undefined and can be interpreted in several ways. In each such instance, we have attempted to give the undefined term a common meaning given the context in which the term is used.

F. Hovnanian Enterprises, Inc. and the responding operating entities submit this information subject to a claim of "Confidential Business Information" as set forth in EPA's regulations. All of the information submitted herein is proprietary and has been, and will continue to be, kept confidential. Release of the information and/or responses contained herein will cause substantial harmful effects to the business's competitive position.

G. Hovnanian Enterprises, Inc. and the responding operating entities object to the purported requirement that a single individual certify to each or all of the responses. Because of the breadth of the questions posed in the Section 308 Request, in many instances the responses have been derived from information obtained from a number of individuals in different divisions

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and operating entities, with no one individual having the requisite "personal" knowledge for the entire response as is purportedly required by EPA's proffered certification language. In addition, much of the information contained herein was collected and prepared by counsel and derived from project or company records. Lastly, some project managers are newly assigned to a particular project, and lack any direct historical knowledge of the matters requested. In lieu of revising the certification, and subject to this General Objection, the responding operating entities have provided certifications for each project identified in response to Part 1, Question 2. These certifications are further limited to the personal knowledge of the signatory, who is generally the project manager or community builder of the project or projects identified in the certification. There are no certifications provided for the listing of finished lot projects.

H. In discussions with Nina Rivera, Esquire and Charles Schadel of EPA, EPA agreed to limit the response to the Section 308 Letter as set forth herein as follows:

- (1) No plan sheets are required to be submitted to EPA in response to the Section 308 Letter;
- (2) Only a copy of the face sheet of the NPDES permits are required to be submitted to EPA in response to the Section 308 Letter;
- (3) Copies of self-inspection reports covering a time period from 1/1/04 to the present are required to be submitted to EPA in response to the Section 308 Letter;
- (4) No Storm Water Pollution Prevention Plans ("SWPPPs") are required to be submitted to EPA in response to the Section 308 Letter.

We understand that EPA has reserved the right to require the submission of these materials in a future request. Hovnanian Enterprises, Inc. and the responding entities reserve the right to object to any such future request.

I. Several of the responding entities are constructing houses within developments in which the responding entity has purchased a lot or lots from a separate entity, otherwise unrelated to Hovnanian Enterprises, Inc., and which development has previously been permitted, mass graded and stabilized with erosion and sedimentation control measures by the separate unrelated entity. (These developments are referred to herein as "finished lot" projects.) In discussions with Nina Rivera, Esquire and Charles Schadel of EPA, EPA allowed Hovnanian Enterprises, Inc. and the responding entities to provide information to EPA responsive to Part 1, Question 1 for finished lot projects by June 3, 2005. Please note that the list of finished lot projects provided herein may be incomplete at this time as to both the projects that are identified, and the information set forth therein regarding each of the projects identified.

J. For the finished lot projects identified herein, the master developer of the project (i.e. the initial property owner who is unrelated to Hovnanian Enterprises, Inc. and subdivides the property, obtains the required permits, performs the mass grading and installs and maintains the

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erosion and sedimentation control measures) is responsible for erosion and sedimentation control and the NPDES permitting and compliance. Hovnanian Enterprises, Inc. and the responding entities have contacted the master developer of many of the projects set forth in this response to obtain the information EPA has requested for these projects. Notwithstanding the presentation of the information set forth herein, Hovnanian Enterprises, Inc. and the responding entities object to the requirement that they obtain and/or maintain these permits or records, and also object to any implication that they are responsible for compliance with measures which were permitted, installed and maintained by unrelated third parties.

K. With respect to the responses to Part 1, Questions 2, to comply with the instructions set forth in the Section 308 Letter, we have presented responsive information on a single form for each project with attachments.

L. Part 1, Question 2.a. requests, in part, the name of the "chief executive officer" of the responding entities associated with Hovnanian Enterprises, Inc. which are undertaking each development identified. Hovnanian Enterprises, Inc. and the responding entities object to the request for the name of the chief operating officer for the responding entities, in part because such information does not further the purposes of the Clean Water Act. Notwithstanding this objection, as EPA was previously informed, Hovnanian Enterprises, Inc. is a holding company of the equity interests of numerous subsidiaries who operate in a decentralized manner with business groups operating independently and entrepreneurially. The business groups are further organized into divisions, within which there are operating entities, which are individually in charge of the site preparation and home construction process. In response to the request for the name of the "chief operating officer," the name of the appropriate division president has been provided.

M. Part 1, Question 2.a.(2) requires information which specifies the relationship between Hovnanian Enterprises, Inc. and the "the associated business," which in this matter is a responding operating entity. As set forth previously, Hovnanian Enterprises, Inc. is a holding company of the equity interests of numerous subsidiaries who operate in a decentralized manner with business groups operating independently and entrepreneurially. The business groups are further organized into divisions, within which there are the operating entities identified in this response.

N. Part 1, Question 2.b. requires information regarding the timetable for construction activities. Please note that the dates provided in the response are approximate, and represent a good faith effort to define the appropriate time period. This time period may include time prior to the commencement of earth disturbance activities, and time after the site is stabilized, but while homebuilding continues.

O. Part 1, Question 2.c. requires identification of the date of approvals by county or local officials of erosion and sediment control plans, and "a copy of the approval letter." Please note that, in many instances, these approvals are provided by a stamp and signature of the reviewing official directly on a plan for the project, and there is no "approval letter." In these instances, we have copied that portion of the plan which contains the stamp and signature.

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P. Part 1, Question 2.d.(2) requires the submission of a copy of the signed application used to attain NPDES permit coverage. We are not aware of any legal requirement to maintain copies of the signed applications, and therefore specifically object to this question. Notwithstanding this objection, any easily obtainable NPDES permit application, whether it was a final, signed copy, or a draft, has been included in this response.

Q. Part 1, Question 1.c. requests information on the "corresponding area of disturbance for each construction site." Please note that the area set forth in the "Acres" column for the finished lot projects (Column "D") is the approximate area for the entire project, and does not represent the area of disturbance. Please also note that the average lot size for many of the finished lot projects identified is less than one acre.

R. Hovnanian Enterprises, Inc. and the responding operating entities object to EPA's request that they identify NPDES permits and local approval of erosion and sedimentation control measures for finished lot projects, and also object to any implication that Hovnanian Enterprises, Inc. and the responding operating entities are responsible to obtain such a permit and approvals. In the developments identified as finished lot projects, obtaining NPDES permits and local approvals, if any and as required, is the responsibility of the property owner/master developer, who is the "operator" of the site, as defined in 40 C.F.R. § 122.21(b). The responding operating entity is buying finished lots and building homes after the property owner/master developer has completed the approval process, and generally following the mass grading, utility and road construction, and implementation of erosion and sedimentation control measures. The responding operating entity is therefore not responsible for obtaining the NPDES permit or implementing the erosion and sedimentation control measures. Notwithstanding this objection, if the responding entity has obtained information regarding the NPDES permit or local approval for erosion and sedimentation control measures for a particular project, it has been provided.

S. Hovnanian Enterprises, Inc. and the responding operating entities reserve the right to assert additional objections.

**Response to Section 308 Request for
"Finished Lot Projects"**

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	A	B	C	D	E	F	G	H
1	Property / Development Name	Site Location	State	Acres ¹	Dates of Construction	NPDES Permit No. ²	E&S Plan Approval ²	Responding Entity
2	Ashland Sec. 23	Intersection of Spriggs Road and Route 234	VA	32.57	4/1/2003 to 9/2004	See General Objection "R"	See General Objection "R"	K Hovnanian Homes of Virginia, Inc.
3	Aquia Section 1	Stafford County	VA	18	6/2003 to 6/2004	See General Objection "R"	See General Objection "R"	K Hovnanian Homes of Virginia, Inc.
4	Brandywine Village	Brinton Way, Prince George's County	MD	3	11/2003 to Present	See General Objection "R"	SC# 77-03	K Hovnanian Homes of Maryland, LLC
5	Breeden Grove	Intersection of Breeden Avenue and Public Works Drive, City of Manassas	VA	3.5	Early 2003 to 1/2004	See General Objection "R"	See General Objection "R"	K Hovnanian Homes of Virginia, Inc.
6	Cedar Crest, Sections 1 and 2	42804 Appaloosa Trail Court, Chantilly	VA	242.9	12/2003 to Present	VAR102343	See General Objection "R"	K Hovnanian Homes of Virginia, Inc.
7	Charles Hill Cluster; Phase I	Old Marlboro Pike, Prince George's County	MD	24.9	1/2005 to present	See General Objection "R"	SC# 316-04	K Hovnanian Homes of Maryland, LLC
8	Christy Estates	Stafford County	VA	168	6/2001 to 4/2005	See General Objection "R"	See General Objection "R"	K Hovnanian Homes of Virginia, Inc.
9	Colonial Park, Sec. 3	Colonial Park Drive, Anne Arundel County	MD	6.97	3/2003 to present	See General Objection "R"	AASCD# 474-03	K Hovnanian Homes of Maryland, LLC
10	Colonial Park, Sections 1 and 2	Colonial Park Drive, Anne Arundel County	MD	25.67	7/2002 to present	See General Objection "R"	AASCD# 447-29	K Hovnanian Homes of Maryland, LLC
11	Cottages at Glenarden	Hamlin Street, Prince George's County	MD	4.47	1/2005 to present	See General Objection "R"	SC# 177-04	K Hovnanian Homes of Maryland, LLC
12	Glendale Forest	Prospect Hill Road, Prince George's County	MD	39.59	1/2005 to present	See General Objection "R"	SC# 480-03	K Hovnanian Homes of Maryland, LLC

¹ See General Objection "Q"

² See General Objection "R"

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	A	B	C	D	E	F	G	H
	Property / Development Name	Site Location	State	Acres ¹	Dates of Construction	NPDES Permit No. ²	E&S Plan Approval ²	Responding Entity
13	Greens @ Piscataway	Piscataway Road, Prince George's County	MD	110.1	6/2002 to present	See General Objection "R"	SC# 152-04	K Hovnanian Homes of Maryland, LLC
14	Greenspring (Compass Pointe)	Ft. Smallwood Road, Anne Arundel County	MD	74.8 acres	9/2002 to present	03-AA-0002	AASCD# 452-06; 7/30/2002	K Hovnanian Homes of Maryland, LLC
15	Greenway Village @ Clarksburg, Phase 1	Skylark Road, Montgomery County	MD		9/2003 to present	See General Objection "R"	See General Objection "R"	K Hovnanian Homes of Maryland, LLC
16	Highpoint Grand Colonials	Forsythia Drive, Culpeper	VA	75 acres	9/2004 to Present	VAR104515;	See General Objection "R"	K Hovnanian Homes of Virginia, Inc.
17	Highpoint Townhouses	Forsythia Drive, Culpeper	VA	75 acres	9/2004 to Present	VAR104515	See General Objection "R"	K Hovnanian Homes of Virginia, Inc.
18	Highpoint Weaklink	Forsythia Drive, Culpeper	VA	75 acres	9/2004 to Present	VAR104515	See General Objection "R"	K Hovnanian Homes of Virginia, Inc.
19	Hirst Farms, Sec. 1	969 Devonshire Circle, Purcellville	VA	113.4 Acres	12/2002 to Present	See General Objection "R"	Grading Permit No. X2002264000	K Hovnanian Homes of Virginia, Inc.
20	Huntfield	204 Calmes Street, Charles Town	WV	147.9 Acres	4/2003 to Present	WV0115924; General Permit No. WVR100608	See General Objection "R"	K Hovnanian Homes of West Virginia, LLC
21	Lakeview Townhouses	Virginia Avenue	VA	185	4/2002 to Present	VA104514	See General Objection "R"	K Hovnanian Homes of Virginia, Inc.
22	Lakeview Villas	Virginia Avenue	VA	185	4/2002 to Present	VAR104514	See General Objection "R"	K Hovnanian Homes of Virginia, Inc.
23	Locust Grove	550 Nursery Road, Purcellville	VA	104.6	1999 to 1/30/2004	Permit Nos. 104615, 105434, 106153, 00-107596	See General Objection "R"	K Hovnanian Homes of Virginia, Inc.

¹ See General Objection "Q"

² See General Objection "R"

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	A	B	C	D	E	F	G	H
1	Property / Development Name	Site Location	State	Acres ¹	Dates of Construction	NPDES Permit No. ²	E&S Plan Approval ²	Responding Entity
24	Merrimans Chase	103 Homer Drive, Winchester	VA			VAR100606	See General Objection "R"	K Hovnanian Homes of Virginia, Inc.
25	Oxon Run Hills	Dunlap Road and 23rd Parkway, Prince George's County	MD	12.4	8/2002 to present	See General Objection "R"	SC# 33-00	K Hovnanian Homes of Maryland, LLC
26	Perrywood, Sec. 8 & 9	Oak Grove Road, Prince George's County	MD	16.75	9/2003 to present	See General Objection "R"	Prince George's SCD SC# 496-03	K Hovnanian Homes of Maryland, LLC
27	Salem Farms	671 and Vineyard View Place, Purcellville	VA	11.4	8/2003 to present	See General Objection "R"	10/10/2002 (Notification of grading permit)	K Hovnanian Homes of Virginia, Inc.
28	Sommerset	Courthouse Road and Jefferson Davis Highway	VA	25	1/2000 to 7/2004	See General Objection "R"	See General Objection "R"	K Hovnanian Homes of Virginia, Inc.
29	Southdown Shores	Mulberry Street, Anne Arundel County	MD	9.57	3/2004 to present	04-AA-0061	AASCD# 500-43	K Hovnanian Homes of Maryland, LLC
30	St. Charles/Dorchester	Dorchester Circle, Charles County,	MD	9.5	6/1991 to present	See General Objection "R"	SED-161-90	K Hovnanian Homes of Maryland, LLC
31	St. Charles/Sheffield 1	Sheffield Circle, Charles County	MD	17.4	5/1999 to present	See General Objection "R"	SED-153-97	K Hovnanian Homes of Maryland, LLC
32	St. Charles/Sheffield 3	Sheffield Circle, Charles County	MD	15.8	10/2000 to present	See General Objection "R"	SED# 37-98	K Hovnanian Homes of Maryland, LLC
33	St. Charles/Sheffield, 2	Sheffield Circle, Charles County	MD	26.9	10/2000 to present	See General Objection "R"	SED# 102-99	K Hovnanian Homes of Maryland, LLC
34	Tamar Lane	U.S. Route 1	VA	11.82	1/2005 to present	VAR103263	See General Objection "R"	K Hovnanian Homes of Virginia, Inc.

¹ See General Objection "Q"

² See General Objection "R"

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	A	B	C	D	E	F	G	H
1	Property / Development Name	Site Location	State	Acres ¹	Dates of Construction	NPDES Permit No. ²	E&S Plan Approval ²	Responding Entity
35	Tartan South	Lottsford Road and Campus Way North, Prince George's County	MD	6.7	10/2000 to present	See General Objection "R"	SC# 368-99	K Hovnanian Homes of Maryland, LLC
36	The Gallery (Siebert Orchard)	1264 Gainsboro Lane, Martinsburg	WVA	40.74	12/2004 to present	WV0115924; General Permit No. WVR100608	See General Objection "R"	K Hovnanian Homes of West Virginia, LLC
37	Town Center at Camp Springs	Auth Way, Prince George's County	MD	35.95	1/2005 to present	See General Objection "R"	SC# 20-04	Town Center at Camp Springs, LLC
38	Victory Lakes/Pembroke	12501 Idlewood Park Court, Bristow	VA	420	7/2001 to present	VAR431021; VAR101401	See General Objection "R"	K Hovnanian Homes of Virginia, Inc.
39	Waterford Cove	Old Fort Road, Prince George's County	MD	39	3/2006 (sic)	See General Objection "R"	SC# 188-04	K Hovnanian Homes of Maryland, LLC
40	Westbrooke	328 Snyder Lane, Culpeper	VA		4/2003 to 1/30/2004	See General Objection "R"	See General Objection "R"	K Hovnanian Homes of Virginia, Inc.
41	Winding Creek	Charles Town Pike and Creamer Lane, Purcellville	VA		9/2003 to 2/25/2005	See General Objection "R"	Permit No. 20023460001	K Hovnanian Homes of Virginia, Inc.
42	Woodmore @ Oak Creek	Church and Jennings Mill Roads, Prince George's County	MD	72.9	6/2004 to present	See General Objection "R"	SC# 487-03	K Hovnanian Homes of Maryland, LLC
43	Woodmore Estates, Ph. 1	Church and Driftwood Roads, Prince George's County	MD	45.45	8/2001 to present	See General Objection "R"	SC# 72-01	K Hovnanian Homes of Maryland, LLC
44	Woodmore Estates, Phase 2	Mt. Oak Road, Prince George's County	MD	32.96	6/2000 to present	See General Objection "R"	SC# 136-01	K Hovnanian Homes of Maryland, LLC
45	Woodmore Estates, Phase 3	Mt. Oak Road, Prince George's County	MD	32.42	9/2002 to present	See General Objection "R"	SC# 249-02	K Hovnanian Homes of Maryland, LLC

¹ See General Objection "Q"

² See General Objection "R"

**Response to Section 308 Request for
"Finished Lot Projects"**

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	A	B	C	D	E	F	G	H
1	Property / Development Name	Site Location	State	Acres ¹	Dates of Construction	NPDES Permit No. ²	E&S Plan Approval ²	Responding Entity
46	Wright Farm, Ph. 2, 3, 4 and 5	37922 Wright Farm Drive, Purcellville	VA	161.25	4/2002 to Present	VAR431121; VAR101512;	See General Objection "R"	K Hovnanian Homes of Virginia, Inc.
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49								

¹ See General Objection "Q"

² See General Objection "R"